

Chief, D/M
5 December 1958

TO: Assistant Director for Research and Reports
FROM: Acting Chief, Economic Research Area
SUBJECT: Activity Report for the Month of November

Current and Other Support Activity

1. Current support activity during November was marked by the Area-wide effort on the Soviet Seven-Year Plan Theses. The resulting DCI memorandum was widely distributed throughout the government and elicited favorable comments. The White House requested clearance of the material for public dissemination.

2. Other current support activity included NSC briefings on Soviet Civil Defense and Soviet Civil Air, a continued high level of support to the Watch Committee on the Taiwan Straits, Berlin, and Middle East situations and preparation of articles for OCI publications on a variety of subjects. In addition to the Soviet Seven-Year Plan Theses, mentioned above, particular attention was paid to the Iraqi receipt of Soviet arms, the economic background of East-West German relations, and developments in the Chinese communes and "leap forward" programs.

3. [redacted] has been rendering increasing support on current Soviet and Chinese shipping activities. [redacted] is being commended by [redacted]

4. Representatives of I/PE and S/TD have been active in planning for CIA participation in a Commerce Department proposal to obtain more effective control over U.S. exports of technical data. Items selected must be (a) highly specific, (b) susceptible of effective unilateral U.S. control, and (c) have an appreciable impact on the military-industrial potential of the Bloc or on the penetration of underdeveloped areas. Representatives of other components of ERA have been consulted and will work with interagency task groups in the selection of items that might be subject to such controls.

7. To meet the need for basic and timely information on significant developments in the Bloc iron and steel industries, Materials Division plans to prepare annual summary reviews on the status of the industry in the USSR, European Satellites, and the Far East respectively. The scheduling of the reviews will be coordinated with the NIS production schedule.

8. ACSI (Army) admits that its definition of telecommunications equipment is so narrow as to exclude a wide variety of industrial electronic equipment. It is believed that ACSI would agree to permit CIA to assume the NIS responsibility for industrial electronics production. This possibility is being explored further.

Briefings and Speeches

9. Acting Chief/E and the Division Chiefs conducted two briefings to acquaint State Department officers with the functions and activities of the Economic Research Area. Those briefed included David Henry, Chief, DRS, John Lacy, Chief, DRF, and Edwin Martin, Director, Office of Chinese Affairs. It is hoped to repeat these briefings for certain other State Department officers dealing with Bloc countries.

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10. [] briefed the Strategic Planning Staff of State Department on 25 November on the long run threat of Soviet economic competition.

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11. On 20 November [], Chief, D/S, spoke on the "Soviet Economic Threat to the Free World" to Business International (New York City), a cooperative research and publishing group representing more than 100 major industrial firms. On 25 November he made a presentation, "Analysis of Soviet International Economic Activities", to the Inter-American Defense Board in Washington, D.C.

12. [] briefed the Ad Hoc Panel of Consultants convened by the Chairman, USIB, to consider the status of the Soviet ICBM program. The briefing was concerned primarily with the fragmentary evidence available to U.S. intelligence on the production and deployment of Soviet ICBMs, and the implications of the lack of conclusive evidence of such activity in the USSR at the present time. These subjects received particular attention in the Panel's final report to USIB.

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14. Briefings in Soviet military expenditures and costing were given by I/ME to members of the Assistant Secretary of Defense (Comptroller)'s staff and to the Air Information Staff of the Library of Congress. 25X1

25X1A9A 17. On 17-19 November, a CIA team on which ORR was represented by [redacted] (I/GM) visited the Ballistic Missile Division, ARDC/USAF, to discuss CIA acquisition of BMD documents, a long-standing problem. The meetings resulted in a Memorandum of Understanding which provides for regular distribution to CIA of all BMD accessions lists, contractor reports and studies, film catalogues, and other selected materials concerning U.S. Air Force ballistic missile and space flight programs. [redacted] and [redacted] also had particularly fruitful discussions with the [redacted] 25X1A9A

25X1A5A1 [redacted] with respect to the planning, time phasing and execution of U.S. ballistic missile production programs, and [redacted] concerning their current studies of "rail-mobile" ICBM systems. 25X1

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US-USSR Exchanges

19. A proposal for a US-USSR exchange of civil transport aircraft has been coordinated with AFCIN-4 and forwarded to the USIB Ad Hoc Committee on Exchanges for Consideration.

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Miscellaneous

21. A professional association of scholars interested in economic research on the USSR and Eastern Europe has been formed within the American Economic Association. The first formal gathering is scheduled for the Chicago meetings of the AEA, 27-29 December.

22. The annual field recruiting activity of the ERA concluded in November, and application forms from candidates have begun to come in. [redacted] candidates have responded, [redacted] were put in process by the ERA; the remainder have been referred to other Agency components.

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23. The European Satellites Committee devoted two sessions to discussion of problems associated with collection, dissemination, and translation of foreign publications. A report on these problems and recommendations for their resolution will be made at a later date.

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